



CONFLICT OF INTEREST MANAGEMENT POLICY

1. Introduction

In terms of the Financial Advisory and Intermediary Services Act, 2002, the FSP is required to maintain and operate effective organizational and administrative arrangements with a view to taking all reasonable steps to identify, monitor and manage conflicts of interest. The FSP has put in place a policy to safeguard its client's interests and ensure fair treatment of clients. The key information is summarized below. Detailed information can be obtained on request from the key individual who is responsible to monitor and manage conflicts of interest on behalf of the FSP.

2. Our objectives

The FSP is an authorized financial services provider (FSP), providing to its clients advice and intermediary services to our clients. Like any financial services provider, the FSP is potentially exposed to conflicts of interest in relation to various activities.

The FSP's primary objective in relation to the management of conflicts of interest is to avoid conflicts where possible. Where this is not possible, we will mitigate and manage any conflicts that may arise between the FSP and its client/s or any representatives of the FSP and its client/s.

The protection of our clients' interests is essential and so our policy sets out how:

- we will identify circumstances which may give rise to actual or potential conflicts of interest entailing a material risk of damage to our client's interests;
- we have established appropriate structures and systems to manage those conflicts; and
- we will maintain systems in an effort to prevent damage to our client's interests through identified conflicts.

3. Conflict of interest

A conflict of interest is any situation where the FSP or any of our representatives has an actual or potential interest that when rendering a financial service to a client, its/his or her ability to provide such service objectively is influenced or prevents the FSP or any of our representatives from rendering an unbiased and fair financial service to the client or from acting in the best interests of the client.

4. Identifying and Managing Conflict of Interest

The FSP strives towards ensuring it is able to appropriately and effectively identify and manage potential conflicts. It may manage potential conflicts through avoidance, establishing confidentiality barriers or by providing appropriate disclosure of the conflict to affected clients.

In determining whether there is or may be a conflict of interest to which the policy applies, the FSP considers whether there is a material risk of damage to the client, taking into account whether the FSP or any of our employees –

- is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- has any ownership interest in another FSP, product supplier or other third party that would affect the FSP or any of our representatives ability to render a fair and unbiased service to clients;
- has an interest in the outcome of a service provider to the client or of a transaction carried out on behalf of the client, which is distinct from the Client's interest in that outcome;
- has a financial or other incentive to favor the interests of another client or group of clients over the interests of the client;
- receives or will receive from a person other than the client, an inducement in relation to a service provided to the client in the form of monies, goods or services, other than the standard commission or fee for that service.
- Any other relationship with another FSP, product supplier or third party that affects the FSP or any of our representatives ability to render a fair and unbiased service in the interests of clients.

5. Confidentiality barriers

Our employees respect the confidentiality of client information and disclose or use it with circumspect. No such information may be disclosed to a third party without the prior written consent of a client.

No confidential client information may be used by the FSP or employees of the FSP for their own personal financial gain.

6. Financial Interest

Financial interest includes any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, other incentive or valuable consideration.

The FSP'S employees will not accept any financial interest other than those considered normal in their line of business. Excessive financial interest from clients may result in a conflict of interest, which we are committed to avoiding.

Remuneration from third parties in relation to a service provided to clients is acceptable to the FSP only if they are appropriately disclosed to clients and if it is either the payment of a normal fee or commission to continue the quality of our services to clients and does not impair our duty to act in the best interests of clients.

Employees of the FSP may accept other financial interest from third parties including other financial services providers and product suppliers where the aggregated value of the financial interest received does not exceed R1000.00 in any calendar year from the same third party.

The FSP and our employees must similarly ensure that we do not offer financial interest in excess R1000.00 to any representative of another financial services provider or product supplier in any calendar year.

The FSP does not offer any financial interest to a representative for:

- Giving preference to the quantity of business secured for the FSP to the exclusion of the quality of the service rendered to clients; or
- Giving preference to a specific product supplier, where the representative may recommend more than one product supplier to a client; or
- Giving preference to a specific product of a product supplier, where a representative may recommend more than one product of that product supplier to a client.

7. Disclosure

Where a conflict of interest affecting a client has been identified, the FSP will ensure that the Key Individual or representative following consultation with the Key Individual, at the earliest opportunity discloses to the affected client the existence of the conflict of interest.

The disclosure will where applicable include –

- The measures taken to avoid or manage the conflict;
- Details of any ownership or financial interest that the FSP or any representative of the FSP may become eligible for as a result of the situation giving rise to the conflict;
- The nature of the arrangement or relationship with the third parties that has caused the conflict;
- The fact that this Conflict of Interest Policy exists and is available to the client on request.

The above disclosures will be made in writing in sufficient detail that will allow the affected client to make an informed decision on whether to continue using our services in the situation concerned.

8. Declining to act

We may decline to act for a client in cases where we believe the conflict of interest cannot be managed in any other way.

Our policy defines possible conflicts of interest as:

- conflicts of interest between the FSP and the client;
- Conflicts of interest between our clients if we are acting for different clients and the different interests conflict materially;
- Holding confidential information on clients which, if we would disclose or use, would affect the advice or services provided to clients.

9. Monitoring

The key individual in charge of supervision and monitoring of this policy will regularly provide feedback on all related matters.

A Financial Interest Register is maintained as an additional mechanism to monitor potential and actual conflicts of interest.

10. Procedures

Whenever the FSP or one of our representatives renders a financial service, we must disclose the existence of any financial interest in the relevant services or any other circumstances which gives rise to an actual or potential conflict of interest in relation to such service and take all responsible steps to ensure fair treatment of the client.

Any potential or actual conflict of interest must be reported by the representative to the Key Individual so that the appropriate action can be taken.

All representatives are responsible for ensuring that any financial interest received or offered is recorded in the Financial Interest Register which available on the premises should a client wish to obtain further details. Representatives are responsible for ensuring that they do not exceed with prescribed limit as detailed under item 6 above.

11. Non-Compliance with this policy

If any representative is uncertain whether a particular situation gives rise to an actual or potential conflict of interest, the representative must bring the matter to the Key Individual's attention.

Failure to comply with this policy and the FAIS regulatory requirements relevant to the management of conflicts of interest, will be subject to the FSP disciplinary procedures. If found to have acted contrary to this policy and / or the regulatory requirements, the representative may be debarred in terms of section 14 of the FAIS Act.